23 June 2017

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 731, “An Act to Require Mortgage Servicers to Act in Good Faith in Dealings with Homeowners.”

This bill is unnecessary and duplicative. Mortgage servicers will already be subject to increased accountability and oversight as the result of PL 2017, c. 106, a bill titled “An Act to Improve the Foreclosure Process by Regulating Mortgage Loan Servicers” that I signed into law on May 30, 2017.

Under that new law, companies will have to demonstrate appropriate financial responsibility, character and fitness in order to obtain a state license to service Maine mortgage loans.

LD 731, in contrast, is anti-business. It establishes a vague standard of “good faith and fair dealings,” then creates new legal causes of action that will lead to more lawsuits against mortgage servicers and the possibility of awards of both actual damages and statutory damages of $15,000 or more.

These lawsuits—and threats of lawsuits—will further delay the foreclosure process, which already takes far too long to complete.

We should wait and see whether the new licensing provisions found in PL c. 106 will be sufficient to improve accountability of mortgage servicers before adding onerous statutory penalties and further delaying foreclosures.

For these reasons, I return LD 731 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor